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Message Text

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12
ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00

SSO-00 USIE-00 INRE-00 OIC-02 FEA-01 OES-03 AF-06

ARA-06 EA-07 NEA-10 AGR-05 CEA-01 COME-00 EB-07

FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 PRS-01

SP-02 OMB-01 /131 W
---------- 116951
O 110909Z SEP 75
FM AMEMBASSY ROME
TO SECSTATE WASHDC IMMEDIATE 3030
INFO USMISSION USUN NEW YORK IMMEDIATE
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENGAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USDEL MTN GENEVA

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E.O. 11652: N/A
TAGS: EGEN, PFOR, UN, EEC, IT
SUBJECT: USG "INFORMAL WORKING PAPER" SUBMITTED SEPTEMBER 8
AT SEVENTH UNGA SPECIAL SESSION

REF: A. ROME 12995 (NOTAL)
B. STATE 215369 (NOTAL)
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C. USUN 4166 (NOTAL)

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SUMMARY. MFA REQUESTED EMBOFF TO CALL EVENING OF SEPTEMBER 11 TO DISCUSS SOME OF ISSUES RAISED IN US "INFORMAL WORKING PAPER" AND TO INDICATE EC'S UNHAPPINESS WITH SUDDEN APPEARANCE OF US PAPER. EC WONDERS WHETHER "WORKING PAPER" REPRESENTS FUNDAMENTAL SHIFT IN USG POSITION ON SEVERAL IMPORTANT ISSUES AND WOULD WELCOME FURTHER EXPLANATION OF USG POSITION IN CONSULTATIONS AT NEW YORK. END SUMMARY

1. MINISTRY FOREIGN AFFAIRS (MFA) REP MINGAZZINI (DIRECTOR, MULTILATERAL ECONOMIC AFFAIRS) REQUESTED EMBOFF TO CALL AT MFA ON EVENING OF SEPTEMBER 11 TO DISCUSS US "INFORMAL WORKING PAPER" SUBMITTED SEPTEMBER 8 AT SEVENTH UNGA SPECIAL SESSION. (MFA RECEIVED COPY FROM ITALIAN UN MISSION DURING NIGHT OF SEPTEMBER 10-11)

2. MINGAZZINI SAID HE WISHED USG BE AWARE OF EC VIEWS (PRELIMINARY, BASED ON HURRIED REVIEW OF US DOCUMENT BY EC UN DELEGATIONS) OF INFORMAL WORKING DOCUMENT. (HE WAS RELIEVED TO LEARN THAT DOCUMENT IS IN FACT A WORKING PAPER AND NOT RPT NOT A DRAFT RESOLUTION.) MINGAZZINI'S COMMENTS WERE AS FOLLOWS:

A. IN GENERAL, DOCUMENT IS SIMPLY "TOO LONG". IT NEEDS TO BE MADE MORE CONCISE.

B. ITEM I.A(2), SPECIAL DEVELOPMENT SECURITY FACILITY. INCLUSION OF MANUFACTURED GOODS GOES BEYOND WHAT EC CAN ACCEPT. FINANCIAL BURDEN FOR INDUSTRIALIZED COUNTRIES WOULD BE TOO GREAT IF MORE THAN 12 OR 13 BASIC COMMODITIES WERE INCLUDED. MOREOVER, INCLUDING MANUFACTURED GOODS MIGHT ENCOURAGE UNCOMPETITIVE, INEFFICIENT PRODUCTION IN LDCS.

C. ITEM I(B), BUFFER STOCKS. EC "A LITTLE SURPRISED" THAT US AGREES TO ESTABLISHMENT OF BUFFER STOCKS. IN ELABORATING THIS CONCEPT, WHICH IS ACCEPTABLE TO EC, WE MUST AVOID PRINCIPLE THAT CONSUMER COUNTRIES SHOULD PAY ALL OR MOST OF THE COSTS OF MAINTAINING BUFFER STOCKS.

ITEM I(B)(1), INSULATION FROM ADVERSE EFFECTS OF INFLATION. DOES USG ACCEPT PRINCIPLE OF STABILIZATION IN REAL TERMS? IS LIMITED OFFICIAL USE

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THIS NOT INDEXATION, WHICH USG PREVIOUSLY STRENUOUSLY OPPOSED, IN ANOTHER GUISE? MINGAZZINI SAID EC IS SPLIT ON THIS POINT, WITH ITALY BEING ABEL TO ACCEPT LANGUAGE IN "WORKING PAPER," WHILE FRG FINDS IT UNACCEPTABLE. HE REQUESTED US-EC CONSULTATIONS IN NEW YORK TO CLARIFY USG POSITION.

E. ITEM I(B)(2), UNCTAD PRELIMINARY STUDY ON PROPORTION BETWEEN PRICES. EC QUESTIONS WHETHER USG NOW ACCEPTS PRINCIPLE OF IN-

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DEXATION. EC REQUESTS CLARIFICATION OF USG POSITION.

F. ITEM I(C)(2), DC REDUCTION/REMOVAL OF TARIFF AND NON-TARIFF BARRIERS TO LDC PRODUCTS. LANGUAGE IN US "WORKING PAPER" AFTER QUOTE IN LIGHT OF THE PRONOUNCED DISPARITY...UNQUOTE IS IS ACCEPTABLE. FIRST PART OF THIS PARA, HOWEVER, SHOULD GIVE GREATER EMPHASIS TO OBLIGATIONS TO BE ASSUMED BY LDCS, I.E., COMMITMENT BY LDCS ON ACCESS TO RAW MATERIALS. EC BELIEVES FIRST PART OF PARA IS UNBALANCED IN FAVOR OF LDCS.

G. ITEM I(C)(3), EXPORT INCENTIVES. EC WOULD PREFER TO DELETE THIS PARA. PROPER FORUM IS MTN IN GENEVA, NOT UNGA. MENTIONING EXPORT INCENTIVES HERE UNDERCUTS MTN AND REDUCES CHANGES OF USING THIS ITEM AS LEVERAGE ON LDCS IN MTN.

H. ITEM II(A)(1), CONCESSIONAL FINANCIAL RESOURCES TO LDCS. LANGUAGE SHOULD BE MORE CAUTIOUS EVEN IF THE PRINCIPLE IS ACCEPTABLE TO DCS.

I. ITEM II(A)(3), ROYALTIES FROM OCEAN-BED MINING. MORE CAUTIOUS APPROACH MIGHT BE DESIRABLE; PRINCIPLE ACCEPTABLE TO EC. MINGAZZINI WONDERED WHY US FELT IT NECESSARY TO INCLUDE THIS POINT.

J. ITEM II(A)(4), LDCS OBTAINING LARGEST POSSIBLE SHARE IN BENEFITS OF PROCUREMENT. EXACTLY WHAT DOES USG PROPOSE? EC BELIEVES ONLY ECONOMIC CRITERIA SHOULD APPLY, IN ORDER DISCOURAGE INEFFICIENT USE OF RESOURCES. TIED PROCUREMENT, WHETHER TO DC OR LDC COUNTRIES, PREVENTS MOST EFFICIENT USE OF SCARCE AID FUNDS.

3. MINGAZZINI SAID ITALIAN UN DELEGATION WOULD BE MAKING THESE (AND PRESUMABLY OTHER) POINTS TO US UN DELEGATION IN NEW YORK. LIMITED OFFICIAL USE

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(APPARENTLY EC REVIEW IN NEW YORK HAD NOT YET ENCOMPASSED ENTIRE US "WORKING PAPER", SINCE HIS COMMENTS DEALT ONLY WITH FIRST PART OF PAPER.)

4. EMBASSY APPRECIATES RAPID RESPONSE TO ITS REQUEST FOR COMPLETE TEXT OF US "WORKING PAPER."

5. COMMENT. MFA GENUINELY SURPRISED BY SOME OF LANGUAGE IN US "WORKING PAPER" AND WOULD HAVE PREFERRED PRIOR CONSULTATIONS ON THE SENSITIVE (AND CONTENTIOUS) ISSUES. MFA, SPEAKING IN ITS ROLE AS PRESIDENT OF EC COUNCIL OF MINISTERS, HAS POLITELY INDICATED EC'S UNHAPPINESS WITH SUDDEN APPEARANCE OF US "WORKING PAPER". THEIR CONCERN IS THAT "WORKING PAPER" MAY HAVE, AT LEAST ON SOME ISSUES, OFFERED MORE TO LDCS THAN IS NECESSARY OR DESIRABLE. VOLPE

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Draft Date: 11 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Film Number: D750320-0343
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